

ASSEMBLY BILL

No. 1527

Introduced by Assembly Member Perea

January 17, 2014

An act to amend Section 116326 of the Health and Safety Code, and to amend Section 75125 of the Public Resources Code, relating to drinking water quality.

LEGISLATIVE COUNSEL'S DIGEST

AB 1527, as introduced, Perea. Public water systems: drinking water.

Existing law, known as the California Safe Drinking Water Act, requires the State Department of Public Health to administer provisions relating to the regulation of drinking water to protect public health, including, but not limited to, administer programs to fund improvements and expansion of small community water systems using specified priorities. Existing law requires the department to encourage the consolidation of small community water systems that serve disadvantaged communities in instances where consolidation will help the affected agencies and the state to meet specified goals.

Existing law allows funding of studies regarding the feasibility of consolidating 2 or more community water systems, at least one of which is a small community water system that serves a disadvantaged community and requires the department to give funding priority to construction projects that involve the physical restricting of 2 or more community water systems, as specified, when it is shown that the consolidation would further specified goals.

This bill would require the department, in administering programs to fund improvements and expansions of small community water systems, and other water systems, as specified, to promote service delivery

alternatives that improve efficiency and affordability of infrastructure and service delivery, as specified.

This bill also would make technical, conforming changes regarding a reporting duty of the Strategic Growth Council.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. It is the intent of the Legislature to encourage
2 local area formation commissions to focus on the consolidation,
3 merger, or extension of public water systems, especially those
4 located in disadvantaged communities, by seeking financial
5 assistance in order to perform the necessary service reviews and
6 other appropriate studies.

7 SEC. 2. Section 116326 of the Health and Safety Code is
8 amended to read:

9 116326. (a) In administering programs to fund improvements
10 and expansions of small community water systems *and, pursuant*
11 *to subdivision (b), other water systems*, the department shall do
12 all of the following:

13 ~~(a)~~

14 (1) Give priority to funding projects in disadvantaged
15 communities.

16 ~~(b) Encourage the consolidation of small community water~~
17 ~~systems that serve disadvantaged communities in instances where~~
18 ~~consolidation will help the affected agencies service~~

19 (2) *Promote service delivery alternatives that improve efficiency*
20 *and afford ability of infrastructure and service delivery, including,*
21 *but not limited to, the consolidation of governmental agencies,*
22 *consolidation of water systems, and the extension of services, in*
23 *and to disadvantaged communities, where service delivery options*
24 *will help affected agencies, communities, and the state to meet all*
25 *of the following goals:*

26 ~~(1)~~

27 (A) Improvement in the quality of water delivered.

28 ~~(2)~~

29 (B) Improvement in the reliability of water delivery.

30 ~~(3)~~

31 (C) Reduction in the cost of drinking water for ratepayers.

1 ~~(e) Pursuant to subdivision (b), allow funding for feasibility~~
2 ~~studies performed prior to a construction project to include studies~~
3 ~~of the feasibility of consolidating two or more community water~~
4 ~~systems, at least one of which is a small community water system~~
5 ~~that serves a disadvantaged community.~~

6 ~~(d) In instances where it is shown that small community water~~
7 ~~system consolidation will further the goals of subdivision (b), give~~
8 ~~priority to funding construction projects that involve the physical~~
9 ~~restructuring of two or more community water systems, at least~~
10 ~~one of which is a small community water system that serves a~~
11 ~~disadvantaged community, into a single, consolidated system.~~

12 *(3) Pursuant to paragraph (2) of subdivision (a), require that*
13 *funding for feasibility studies performed prior to a construction*
14 *project include studies of service delivery alternatives that improve*
15 *efficiency and affordability of capital improvements and service*
16 *delivery, if at least one of the potentially affected agencies serves,*
17 *or would serve by way of an extraterritorial service extension, a*
18 *disadvantaged community, unless the department makes a written*
19 *determination that service delivery alternatives are not feasible*
20 *under the circumstances. In making this determination, the*
21 *department shall do all of the following:*

22 *(A) Review and consider the determinations and*
23 *recommendations made by the affected local agency formation*
24 *commission within the previous five calendar years in any of the*
25 *following:*

26 *(i) A special study conducted pursuant to Section 56378 of the*
27 *Government Code.*

28 *(ii) A sphere of influence study conducted pursuant to Section*
29 *56425 of the Government Code.*

30 *(iii) A service review conducted pursuant to Section 56430 of*
31 *the Government Code.*

32 *(B) Consult with the executive officer of the affected local agency*
33 *formation commission to determine whether any circumstances*
34 *have changed since the studies and review conducted pursuant to*
35 *subparagraph (A) were completed or if there is any additional*
36 *information that would assist the department in its determination.*

37 *(C) Review and consider the conclusions and recommendations*
38 *of other local and regional studies designed to develop and identify*
39 *regional solutions for drinking water delivery.*

1 (4) *If it is shown that an alternative service delivery option will*
2 *further the goals of paragraph (2) of subdivision (a), fund*
3 *construction projects that include the alternative service delivery*
4 *option, unless the department makes a written determination that*
5 *the alternative service delivery option is not feasible under the*
6 *circumstances.*

7 (b) *If an applicant submits an application that includes a service*
8 *delivery alternative that furthers the goals specified in paragraph*
9 *(2) of subdivision (a), the applicant need not be a small community*
10 *water system and the department may increase priority of the*
11 *application.*

12 SEC. 3. Section 75125 of the Public Resources Code is
13 amended to read:

14 75125. The council shall do all of the following:

15 (a) Identify and review activities and funding programs of
16 member state agencies that may be coordinated to improve air and
17 water quality, improve natural resource protection, increase the
18 availability of affordable housing, improve transportation, meet
19 the goals of the California Global Warming Solutions Act of 2006
20 (Division 25.5 (commencing with Section 38500) of the Health
21 and Safety Code), encourage sustainable land use planning, and
22 revitalize urban and community centers in a sustainable manner.
23 At a minimum, the council shall review and comment on the
24 five-year infrastructure plan developed pursuant to Article 2
25 (commencing with Section 13100) of Chapter 2 of Part 3 of
26 Division 3 of the Government Code and the State Environmental
27 Goals and Policy Report developed pursuant to Section 65041 of
28 the Government Code.

29 (b) Recommend policies and investment strategies and priorities
30 to the Governor, the Legislature, and to appropriate state agencies
31 to encourage the development of sustainable communities, such
32 as those communities that promote equity, strengthen the economy,
33 protect the environment, and promote public health and safety,
34 consistent with subdivisions (a) and (c) of Section 75065.

35 (c) Provide, fund, and distribute data and information to local
36 governments and regional agencies that will assist in developing
37 and planning sustainable communities.

38 (d) Manage and award grants and loans to support the planning
39 and development of sustainable communities, pursuant to Sections

75127, 75128, and 75129. To implement this subdivision, the council may do all of the following:

(1) Develop guidelines for awarding financial assistance, including criteria for eligibility and additional consideration.

(2) Develop criteria for determining the amount of financial assistance to be awarded. The council shall award a revolving loan to an applicant for a planning project, unless the council determines that the applicant lacks the fiscal capacity to carry out the project without a grant. The council may establish criteria that would allow the applicant to illustrate an ongoing commitment of financial resources to ensure the completion of the proposed plan or project.

(3) Provide for payments of interest on loans made pursuant to this article. The rate of interest shall not exceed the rate earned by the Pooled Money Investment Board.

(4) Provide for the time period for repaying a loan made pursuant to this article.

(5) Provide for the recovery of funds from an applicant that fails to complete the project for which financial assistance was awarded. The council shall direct the Controller to recover funds by any available means.

(6) Provide technical assistance for application preparation.

(7) Designate a state agency or department to administer technical and financial assistance programs for the disbursing of grants and loans to support the planning and development of sustainable communities, pursuant to Sections 75127, 75128, and 75129.

(e) *(1)* No later than July 1, ~~2010, and every~~ *of each* year thereafter, provide a report to the Legislature that shall include, but is not limited to, all of the following:

~~(1)~~

(A) A list of applicants for financial assistance.

~~(2)~~

(B) Identification of which applications were approved.

~~(3)~~

(C) The amounts awarded for each approved application.

~~(4)~~

(D) The remaining balance of available funds.

~~(5)~~

(E) A report on the proposed or ongoing management of each funded project.

1 ~~(6)~~
2 (F) Any additional minimum requirements and priorities for a
3 project or plan proposed in a grant or loan application developed
4 and adopted by the council pursuant to subdivision (c) of Section
5 75126.
6 (2) *A report submitted pursuant to paragraph (1) shall be*
7 *submitted in accordance with Section 9795 of the Government*
8 *Code.*

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